

MEETING MINUTES

Finance Committee

September 17, 2008

CALL TO ORDER

Time – 7:10 P.M.

Members in attendance: Chairman Joanne F. Marden, Tim Felter, Mary O'Donoghue, S. Jon Stumpf, Cindy Milne, Richard T. Howe, Mark Merritt, Paul Fortier and Stephen Stapinski.

Also present: Anthony J. Torrasi and School Business Agent, David Keniston.

MEETING MINUTES

The minutes of June 30, 2008 were moved and seconded for approval as written. The motion passed unanimously.

FY2008 PRELIMINARY YEAR- END FINANCIALS REPORT

Committee members discussed the following revenue/expenditure highlights:

Estimated Receipts

Mr. Torrasi explained that though there was a drop in Investment Income from FY2007, adjustments were made to the FY2009 budget taking into account a decrease from the previous year.

With regard to the Other Excise tax decrease, Mr. Torrasi explained that was a hotel/motel excise tax and that he expected it to stabilize. However, he cautioned committee members not to depend an increase in the short term.

Mr. Howe voiced concern over some residents' perceived idea that the Finance Committee underestimates estimated receipts for the purpose of generating Free Cash. Ms. Marden disagreed stating that she thought the Committee had given their best estimate adding that the final numbers were very close to the estimates. Furthermore, it was noted that revenue estimating must be viewed as part of the whole financial planning process. Discussion followed. Mr. Howe asked committee members to think about whether or not this practice should be adopted as policy citing it as a more transparent approach with regard to presenting the Budget. The Committee asked Mr. Torrasi if it would be possible to review the past ten years of estimated receipts history. Mr. Torrasi answered yes. Committee members agreed to view that history before making a decision on adoption of an official Finance Committee policy on this matter.

Expenditures

Mr. Torrasi informed Committee members that the Town has settled two contracts and was still working on five others.

SPED UPDATE

Mr. Stumpf introduced David Keniston, School Business Agent, to committee members. Mr. Keniston said that he expected to receive Circuit Breaker numbers shortly. Additionally, he

explained how Andover is reimbursed by the State under this program. He also noted that SPED transportation costs are not reimbursed and that these costs are high. A brief discussion followed.

FINANCE COMMITTEE GOALS

Ms. Marden asked committee members to think about what accomplishments they would like to bring to this year's Town Meeting. Committee members entered into a lengthy discussion including override issues, value of consensus building among the three boards and what role the Finance Committee should provide when making choices for Town Meeting. Committee members discussed and agreed to follow the same forecasting model as last year's.

Committee members were asked for their opinions on selecting a CIP number for this year. Mr. Torrisi suggested level funding. Discussion followed.

A question was raised with regard to the possibility of Town departments retaining the revenue they raise rather than adding it to the General Fund. Mr. Torrisi noted that there were state guidelines as to what fees can and cannot be given to individual departments. He thought that the state looked at user fees differently than general revenue. Discussion followed.

NEXT MEETING

Finance Committee
Wednesday, October 15, 2008
2nd Floor Conference Room
7:00 P.M.

Finance Committee
Wednesday, November 12, 2008
2nd Floor Conference Room
7:00 P.M.

Finance Committee
Wednesday, December 10, 2008
2nd Floor Conference Room
7:00 P.M.

Joint Board Meeting
Monday, December 1, 2008
3rd Floor Selectmen's Conference Room

ADJOURNMENT – 9:50 P.M.

Respectfully Submitted,
Carolyn Lynch
Recording Secretary